

2011 Property Tax Report

Pike County

with Comparisons to Prior Years



Legislative Services Agency

September 2011

This report describes property tax changes in Pike County between 2010 and 2011, with comparison to changes since 2007. In 2011, the changes from the big tax reform of 2008 were fully phased in with the elimination of the last of the state homestead credits. The 2009 recession affected assessments and local tax credits in many counties. Changes in local levies and assessments also were important in many counties.

Comparable Homestead Property Tax Changes in Pike County

The average homeowner saw an 8.3% tax bill increase from 2010 to 2011.

Homestead taxes in 2011 were still 29.6% lower than they were in 2007, before the property tax reforms.

93.6% of homeowners saw lower tax bills in 2011 than in 2007.

70.1% of homeowners saw tax increases of between 1% and 9% from 2010 to 2011.

The largest percentage of homeowners have seen between a 20% and 39% decrease in their tax bills from 2007 to 2011.

	2010 to 2011		2007 to 2011	
	Number of Homesteads	% Share of Total	Number of Homesteads	% Share of Total
Summary Change in Tax Bill				
Higher Tax Bill	2,847	86.1%	154	4.7%
No Change	265	8.0%	58	1.8%
Lower Tax Bill	193	5.8%	3,093	93.6%
Average Change in Tax Bill	8.3%		-29.6%	
Detailed Change in Tax Bill				
20% or More	237	7.2%	80	2.4%
10% to 19%	293	8.9%	22	0.7%
1% to 9%	2,317	70.1%	52	1.6%
0%	265	8.0%	58	1.8%
-1% to -9%	95	2.9%	91	2.8%
-10% to -19%	29	0.9%	317	9.6%
-20% to -29%	20	0.6%	834	25.2%
-30% to -39%	10	0.3%	738	22.3%
-40% to -49%	4	0.1%	467	14.1%
-50% to -59%	2	0.1%	144	4.4%
-60% to -69%	6	0.2%	101	3.1%
-70% to -79%	5	0.2%	87	2.6%
-80% to -89%	6	0.2%	68	2.1%
-90% to -99%	4	0.1%	56	1.7%
-100%	12	0.4%	190	5.7%
Total	3,305	100.0%	3,305	100.0%

Note: Percentages may not total due to rounding.

★★★★★
 LOSS OF STATE HOMESTEAD
 CREDIT AND HIGHER TAX RATES
 RAISED HOMEOWNER TAX BILLS
 ★★★★★

Homestead Property Taxes

Homestead property taxes increased 8.3% on average in Pike County in 2011. This was more than the state average of 4.4%. Pike County homestead taxes were still 29.6% lower in 2011 than they were in 2007, before the big tax reform. The larger-than-average homestead tax increase in 2011 was partly due to the phaseout of the state homestead credit in 2011. The state homestead credit was 4.7% in Pike County in 2010. The increase in Pike County tax rates accounted for the rest of the homestead tax increase.

Tax Rates

Property tax rates increased in all Pike County tax districts. The average tax rate increased by 2.4% because the increase in net assessed value was exceeded by a larger increase in the levy. Levies in Pike County increased by 6.2%. The biggest levy increases were in the Pike County Schools debt service and capital projects funds and in the county general fund. Pike County's total net assessed value increased 3.3% in 2011. (The certified net AV used to compute tax rates rose by 3.8%.) Homestead and agricultural net assessments increased by 3.9% and 4.3%, respectively. Other residential assessments showed a small increase at 0.8%, while business net assessments grew by 3.2%.

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INCREASES IN TAXES FOR ALL

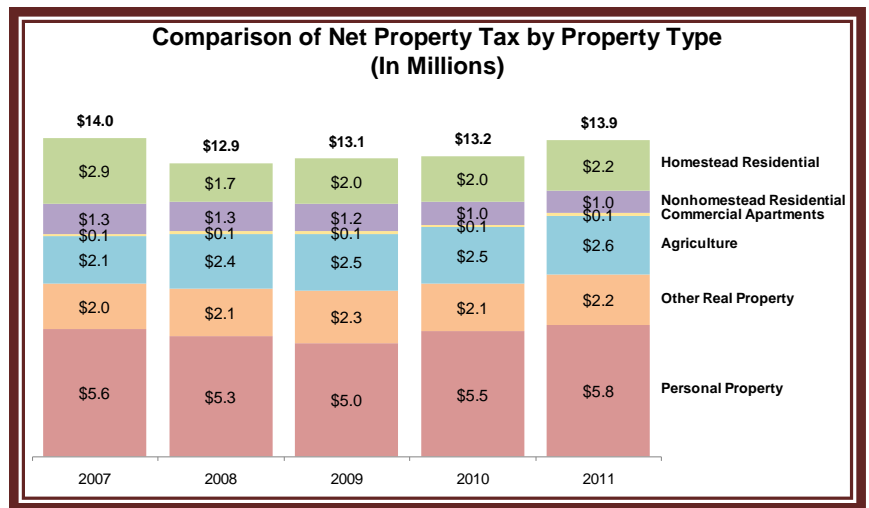
NONHOMESTEAD PROPERTY CATEGORIES

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Net Tax Bill Changes - All Property Types

Net tax bills for all taxpayers rose 5.7% in Pike County in 2011, more than the statewide increase of 2.8%. Other residential property, which includes smaller rentals and second homes, saw net tax bills increase by 2.8%. Tax bills for commercial apartments rose 0.1%. Business tax bills - which include commercial, industrial and utility buildings, land and equipment - increased by 5.8%.

These tax bill increases reflect the tax rate increases in Pike County in 2011. Agricultural tax bills rose 4.2%. This was partly due to the 3.2% increase in the base rate assessment of farm land, from \$1,250 to \$1,290 per acre for taxes in 2011.



Tax Cap Credits

Property taxes are capped at 1% of gross assessed value for homesteads, 2% for other residential property (including rental housing and second homes) and farmland, and 3% for business land, buildings, and equipment. Taxpayers receive credits when their tax bills exceed the caps. Credits are revenue lost to local governments.

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TAX CAP CREDITS

INCREASED IN 2011

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Total tax cap credit losses in Pike County were \$476,667, or 3.4% of the levy. This was less than the state average loss rate of 9.2%, but near the median value of 3.8% among all counties. Tax rates are the main determinant of tax cap credits, and Pike County's tax rates were near the state median.

More than two-thirds of the total tax cap credits were in the 2% nonhomestead/farmland category. Tax rates in all but one Pike County taxing district were greater than \$2 per \$100 assessed value, which made much property in the 2% category eligible for credits. The largest percentage losses were in the city of Petersburg and the towns of Spurgeon and Winslow. The largest dollar losses were in the Pike County School Corporation, Petersburg, and the county unit.

Pike County Tax Cap Credits	1%	2%	3%	Elderly	Total	% of Levy
2010 Tax Cap Credits	\$23,501	\$271,114	\$56,871	\$6,234	\$357,720	2.7%
2011 Tax Cap Credits	38,345	342,525	81,847	13,950	476,667	3.4%
Change	\$14,844	\$71,411	\$24,976	\$7,716	\$118,947	0.7%

Tax cap credits increased in Pike County in 2011 by \$118,947, or 33%. The additional credits

represent an added loss of 0.7% of the total tax levy. Most of the increase in tax cap credits was in the 2% tax cap category, the result of tax rate increases. The elimination of the state homestead credit added to the 1% tax cap credit increase.

The Effect of Recession

The 2009 recession had small effects on Pike County assessments for pay-2011. Business, other residential, and apartment property values and construction activity appear to have risen slowly in Pike County in 2009. More rapid increases in assessed value would have held the tax rate increase lower, making the increase in tax cap credit losses smaller.

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2009 RECESSION APPEARS TO HAVE SLOWED ASSESSMENT GROWTH IN 2011

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Property Type	Gross AV 2010	Gross AV 2011	Gross AV Change	Net AV 2010	Net AV 2011	Net AV Change
Homesteads	\$310,289,150	\$316,275,760	1.9%	\$107,365,679	\$111,554,095	3.9%
Other Residential	43,278,100	43,639,300	0.8%	42,838,685	43,192,574	0.8%
Ag Business/Land	124,973,700	130,064,200	4.1%	124,473,515	129,784,192	4.3%
Business Real/Personal	400,230,525	407,549,280	1.8%	371,652,065	383,421,700	3.2%
Total	\$878,771,475	\$897,528,540	2.1%	\$646,329,944	\$667,952,561	3.3%

Net AV equals Gross AV less deductions and exemptions • Tax rates are calculated on Net AV • Circuit breaker tax caps are calculated on Gross AV

Pike County Levy Comparison by Taxing Unit

Taxing Unit	2007	2008	2009	2010	2011	% Change			
						2007 - 2008	2008 - 2009	2009 - 2010	2010 - 2011
County Total	18,045,448	17,730,171	13,202,009	13,375,669	14,210,836	-1.7%	-25.5%	1.3%	6.2%
State Unit	14,457	15,420	0	0	0	6.7%	-100.0%		
Pike County	6,011,280	5,633,028	5,125,218	5,345,959	5,490,134	-6.3%	-9.0%	4.3%	2.7%
Clay Township	13,503	14,464	15,131	15,029	16,088	7.1%	4.6%	-0.7%	7.0%
Jefferson Township	27,406	28,442	29,433	30,949	31,788	3.8%	3.5%	5.2%	2.7%
Lockhart Township	29,478	30,643	32,040	33,334	34,242	4.0%	4.6%	4.0%	2.7%
Logan Township	11,327	12,344	13,110	13,608	13,963	9.0%	6.2%	3.8%	2.6%
Madison Township	14,699	15,516	16,137	16,748	17,183	5.6%	4.0%	3.8%	2.6%
Marion Township	10,762	11,048	11,646	12,272	12,604	2.7%	5.4%	5.4%	2.7%
Monroe Township	32,294	33,898	35,645	37,136	38,117	5.0%	5.2%	4.2%	2.6%
Patoka Township	28,262	29,365	31,096	32,260	33,104	3.9%	5.9%	3.7%	2.6%
Washington Township	112,020	115,535	120,362	125,086	128,124	3.1%	4.2%	3.9%	2.4%
Petersburg Civil City	522,615	538,498	544,138	591,811	606,160	3.0%	1.0%	8.8%	2.4%
Spurgeon Civil Town	13,712	13,203	13,679	14,197	14,208	-3.7%	3.6%	3.8%	0.1%
Winslow Civil Town	138,794	142,414	123,457	117,777	125,462	2.6%	-13.3%	-4.6%	6.5%
Pike County School Corp	10,451,518	10,461,610	6,426,939	6,296,647	6,938,793	0.1%	-38.6%	-2.0%	10.2%
Pike County Public Library	439,144	453,623	473,519	494,079	506,832	3.3%	4.4%	4.3%	2.6%
Patoka Township Fire	105,581	110,168	116,689	121,115	124,280	4.3%	5.9%	3.8%	2.6%
Jefferson-Marion Township Fire	68,596	70,952	73,770	77,662	79,754	3.4%	4.0%	5.3%	2.7%
Pike County Solid Waste Dist	0	0	0	0	0				

Pike County 2011 Tax Rates, Credit Rates, and Net Tax Rates for Homesteads by Taxing District

			Credit Rates						Net Tax Rate, Homesteads
Dist #	Taxing District	Tax Rate	LOIT PTRC	COIT Homestead	CEDIT Homestead	CEDIT Residential	LOIT Homestead	LOIT Residential	
63001	Clay Township	1.9944	--	--	--	--	--	--	1.9944
63002	Jefferson Township	2.0941	--	--	--	--	--	--	2.0941
63003	Lockhart Township	2.0649	--	--	--	--	--	--	2.0649
63004	Logan Township	2.0395	--	--	--	--	--	--	2.0395
63005	Madison Township	2.0479	--	--	--	--	--	--	2.0479
63006	Marion Township	2.1000	--	--	--	--	--	--	2.1000
63007	Monroe Township	2.0764	--	--	--	--	--	--	2.0764
63008	Spurgeon Town	2.6672	--	--	--	--	--	--	2.6672
63009	Patoka Township	2.2780	--	--	--	--	--	--	2.2780
63010	Winslow Town	3.3772	--	--	--	--	--	--	3.3772
63011	Washington Township	2.0012	--	--	--	--	--	--	2.0012
63012	Petersburg City	3.2835	--	--	--	--	--	--	3.2835

Notes: A *Taxing District* is a geographic area of a county where taxing units overlap, so the sum of the taxing unit tax rates is the total district rate.

The *Tax Rate* is the gross levy divided by net assessed value, in dollars per \$100 assessed value.

The *LOIT*, *COIT*, and *CEDIT* credits are funded by local income taxes.

The *Net Tax Rate for Homesteads* is calculated by reducing the tax rate by the various credit percentages.

Pike County 2011 Circuit Breaker Cap Credits

Taxing Unit Name	Circuit Breaker Credits by Property Type					Circuit Breaker as % of Levy	
	(1%) Homesteads	(2%) Other Residential and Farmland	(3%) All Other Real/Personal	Elderly	Total	Levy	
<i>Non-TIF Total</i>	38,345	342,526	81,847	13,950	476,667	14,210,836	3.4%
<i>TIF Total</i>	0	0	0	0	0	0	
<i>County Total</i>	38,345	342,526	81,847	13,950	476,667	14,210,836	3.4%
Pike County	10,999	100,938	20,672	4,724	137,334	5,490,134	2.5%
Clay Township	1	0	0	0	1	16,088	0.0%
Jefferson Township	57	658	0	25	739	31,788	2.3%
Lockhart Township	80	528	0	115	723	34,242	2.1%
Logan Township	2	135	0	5	142	13,963	1.0%
Madison Township	5	239	0	5	249	17,183	1.5%
Marion Township	12	251	0	7	270	12,604	2.1%
Monroe Township	13	689	0	12	713	38,117	1.9%
Patoka Township	120	1,789	222	89	2,220	33,104	6.7%
Washington Township	208	1,264	490	63	2,026	128,124	1.6%
Petersburg Civil City	10,665	69,802	27,190	1,560	109,217	606,160	18.0%
Spurgeon Civil Town	7	1,818	0	7	1,832	14,208	12.9%
Winslow Civil Town	736	22,078	5,236	588	28,639	125,462	22.8%
Pike County School Corp	13,902	127,572	26,127	5,970	173,571	6,938,793	2.5%
Petersburg Public Library	0	0	0	0	0	0	
Pike County Contractual Public Library	0	0	0	0	0	0	
Pike County Public Library	1,015	9,318	1,908	436	12,678	506,832	2.5%
Patoka Township Fire	396	3,811	0	288	4,495	124,280	3.6%
Jefferson-Marion Township Fire	126	1,634	0	58	1,818	79,754	2.3%
Pike County Solid Waste Dist	0	0	0	0	0	0	

Notes: Circuit breaker tax cap credits are tax savings for taxpayers and revenue losses for local government units. Circuit breaker credits are highest in tax districts with the highest tax rates. These are usually districts that include cities or towns because the municipal tax rate is included in the district tax rate. This means that most circuit breaker credits are in cities and towns and in units that overlap cities and towns.

Circuit Breaker Credit Types:

Homesteads are owner-occupied primary residences and include homestead land and buildings in the 1% tax cap category. Owner-occupied mobile homes and agricultural homesteads are included in this category. This category only includes credits on the portion of the property that qualifies as a homestead.

Other Residential/Farmland includes small rental housing units, larger commercial apartments, second homes, long-term care facilities, and farmland, in the 2% tax cap category.

All Other Real/Personal is commercial, industrial, and utility land and buildings, and business equipment, including agricultural equipment, in the 3% tax cap category. This category also includes credits on the portion of homeowner properties that do not qualify as a homestead.

Elderly includes credits for the 2% annual limit on homestead tax bill increases for low-income homeowners, age 65 and over.

The *Total Levy by Unit* is gross property taxes levied, before all tax credits. For TIF districts, this amount represents the TIF proceeds before circuit breaker credits. This information is included to allow comparison to the circuit breaker revenue losses.

Numbers may not total due to rounding.